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DEPARTMENT OF FINANCE AND ADMINISTRATION
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Dave Goetz
COMMISSIONER

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MEMORANDUM

TO: Members of the General Assembly

FROM: M. D. Goetz, Jr.

DATE: December 4, 2006

SUBJECT: Cover Tennessee Status - November

The purpose of this correspondence is to provide a status report to Members of the General Assembly concerning implementation of the **CoverTennessee** healthcare initiative. This spring the General Assembly adopted legislation, which is codified as Chapter 827 of the Public Acts of 2006, with the program components collectively referred to as Cover Tennessee. This legislation provided for the development of the following healthcare initiatives:

- **CoverKids**
- **AccessTN**
- **CoverTN**
- **ProjectDiabetes**

In addition, this Department is working on the new **CoverRx** pharmacy assistance program for uninsured Tennesseans with income under 250% of the federal poverty level. We are also collaborating with the Department of Education on statewide expansion of **Coordinated School Health**, a related program authorized under separate legislation.

As promised, the Cover Tennessee team is providing this status report to the Members of the General Assembly to apprise you of the progress and implementation milestones for these programs.

Cover Tennessee

Summary: Legislative Update 11-30-06

CoverKids: Comprehensive Health Insurance for uninsured children under 19, under 250% FPL

- Dr. Andrea D. Willis hired as Director of CoverKids
- Series of meetings conducted with children's hospitals, pediatricians and advocates in Chattanooga, Knoxville, Memphis and Nashville regarding program development and benefit design
- Formal plan document submitted to CMS September 6, 2006. Negotiations ongoing.
- Near completion of enrollment and outreach mechanisms
- Timeline:
 - RFP for plan administrator issued November 17, 2006
 - Training of community entities to assist with applications January 2007
 - Enrollment immediately following CMS approval of state plan
 - Coverage beginning early 2007

AccessTN: Comprehensive health insurance for uninsurables under a state-run high-risk pool

- David Hilley, J.D. hired as Director of AccessTN
- The AccessTN Board of Directors has been named, and has held four meetings
- The AccessTN Board has approved three benefit plans, including two PPO options and one Health Savings Account eligible option.
- AccessTN has received a \$1million CMS seed grant for program start-up costs
- Planning is ongoing for a premium assistance program for low-income participants
- Planning continues regarding application for HIFA waiver if AccessTN is exempted from the TennCare consent decrees
- Timeline:
 - RFP for plan administrator issued November 22, 2006
 - AccessTN expects to contract for Plan Administrator (3 plans) in January, 2007
 - Enrollment and benefits expected to begin Q1, 2007

CoverTN: Basic, affordable and portable health coverage for Tennessee's working uninsured

- Stephani Ryan hired as Director, CoverTN
- Request for Information completed
- Advisory Council nominations under consideration
- Conducted many informational meetings in communities across the state with small business owners and advocacy organizations representing small businesses, including 8 sponsored by Chambers of Commerce and the NFIB, community meetings with Legislators, and employer meetings with the Department of Labor
- Launched online small business pre-qualification September, 2006; over 1200 requests to date
- Issued RFP October 6, 2006
- Timeline:
 - Proposals received November 27, 2007
 - Award plan administrators (2 plans) by January, 2007
 - Enrollment and benefits during Q1, 2007

CoverRx: Pharmacy assistance for uninsured Tennesseans under 250% FPL

- RFI completed
- RFP Issued August, 2006
- Contract awarded October, 2006
- Timeline:
 - Contract awarded, October, 2006
 - Auto-enrollment of Mental Health Safety Net participants, December, 2006
 - Open enrollment begins January, 2007

Project Diabetes: Grant programs to enhance prevention, education, and treatment for Type 2 Diabetes and Obesity

- Board of Trustees announced and first meeting scheduled for December 7, 2006
- Process of establishing non-profit organization underway
- NIH grant for Healthy Teen interventions underway
- Launched GetFitTN with Eddie George as spokesperson
- Launched www.GetFitTN.com
- Timeline:
 - Announced Board November, 2006
 - Issue request for grant proposals to providers December, 2006
 - Fund grants for providers in early 2007

Coordinated School Health: School-based educational programs to encourage healthy living and prevention for Type 2 Diabetes and Obesity

- Preparing for expansion of Coordinated School Health to schools statewide
- Issued request for grant proposals August, 2006
- Timeline:
 - Funded 19 school district awards November, 2006

Other

- A toll free number has been established 1-866-COVERTN with live operators available to answer questions about Cover Tennessee programs
- Web site created at www.CoverTN.gov that allows individuals to sign up for email updates as Cover Tennessee programs develop in the coming months
- Application launched at www.CoverTN.gov that allows businesses to pre-qualify to offer CoverTN
- Update list is now at over 20,000 individuals
- Planning is underway for procurement of appropriate marketing and outreach services for all programs

Cover Tennessee Legislative Update 11-30-06

CoverKids

CoverKids will offer comprehensive health insurance for Tennessee's uninsured children. It is Tennessee's version of a State Children's Health Insurance Program (SCHIP) as authorized by Title 21 of the Social Security Act. Federal funds are available to provide support of 74% of the program's benefit cost (effectively offering a \$3 to \$1 match for each state dollar invested) and will match administrative expenses up to 10% of the benefit costs for federally eligible recipients.

Federal rules require that a State Plan for SCHIP implementation must be approved by the Centers for Medicare and Medicaid Services (CMS) before receipt of the federal match. That plan was submitted by the state on September 6, 2006. CMS has up to 90 days to approve the plan. CMS has twice stopped the clock with questions. At presstime, staff was answering the second batch of questions and anticipated restarting the clock within 2 to 3 business days.

Enrollment is anticipated to begin immediately following federal approval of the CoverKids plan. All applicants for SCHIP coverage must first be screened for Medicaid eligibility before enrolling in the CoverKids program.

According to federal rules, benefits must be based on the benefit package utilized in a benchmark plan. The CoverKids program will use the state employee health plan as the baseline for CoverKids benefits planning. Tennessee's proposal is based on a financial model which provides appropriate risk protection through fully insured coverage. The staff has proposed a benefit package and recommended that there be no participant premiums for participating families under 250% FPL.

CoverKids representatives have conducted forums with pediatricians, children's hospitals, and child advocates across the state to share current CoverKids planning and solicit input for more thorough plan design. The RFP for a plan administrator was issued November 17, 2006. Proposals are due by December 21, 2006.

AccessTN

AccessTN will offer comprehensive health insurance for Tennesseans who are uninsurable because of health-related conditions. A detailed update on these plans was issued in November and is attached.

AccessTN will be a state-run, high-risk pool that will resemble pools operated in 33 other states. The benefits provided under AccessTN will be modeled after the benefits provided under the state employee health plan. AccessTN is funded through a combination of participant premiums, state appropriations and assessments on the health insurance industry, including self-insured entities.

The authorizing legislation requires a thirteen-member Board of Directors to adopt a plan for operations and ongoing funding. The Board has been appointed and represents a cross-section of the public, the legislature, doctors, hospitals, insurance carriers, and governmental agencies whose cooperation is needed to improve access to insurance for the uninsurable. Lt. Governor John Wilder has designated Senator Jim Kyle to represent the Senate and Speaker Jimmy Naifeh has selected Representative Gary Odom to represent the House of Representatives.

The AccessTN board has held four meetings to date and anticipates its next meeting for early December.

The Board has adopted bylaws for its operations and has received a timeline for development of the AccessTN Operations Plan. This plan is subject to review by the Commissioner of Finance & Administration and the Comptroller.

The authorizing legislation requires that AccessTN offer two types of health insurance coverage. One type will be a Preferred Provider Organization (PPO) plan similar to the state employee health insurance plans and the other will be a high deductible plan, based on a consumer-driven model, and will include an optional health savings account. The AccessTN Board has adopted two PPO plans with deductibles of \$1000 and \$5000, and an HSA qualified plan with a \$2500 deductible.

Three methods have been identified to demonstrate medical eligibility as "uninsurable." An applicant can 1) demonstrate that they have been diagnosed with one of 54 medical conditions that confer presumptive eligibility, or 2) show denials by two unaffiliated insurance carriers for individual coverage due to a health-related condition, or 3) qualify through an AccessTN contracted underwriting process.

The Request for Proposals for a plan administrator was issued November 22, 2006. Proposals are due by December 20, 2006. There may also be a separate procurement for services related to premium assistance administration and disease management when the AccessTN Board adopts its Operations Plan.

The AccessTN Board has developed a basic structure for premium assistance for AccessTN. \$5 million has been appropriated for general premium assistance, and an additional \$8 million has been appropriated for TennCare disenrollees. Under the Board's determination, premium assistance will be allocated on a sliding scale based on household income up to \$60,000. Additionally, the Board determined that the premium assistance awarded will be a percentage of the premium for a non-smoking, target weight individual in the applicant's age category. This is intended to enhance the incentives for participants to reduce obesity and smoking, both of which are associated with increased medical expenditures.

A separate non-recurring appropriation of \$25 million has been earmarked for the pursuit of federal matching funds through a HIFA waiver (Health Insurance Flexibility Act). The HIFA waiver is discussed in Chapter 951 of the Public Acts of 2006. The State has indicated that it would seek a HIFA waiver for Title XIX federal funds only upon clarification that the TennCare consent orders would not affect AccessTN. The State's attorneys in the TennCare litigation and the plaintiffs' counsel have filed a joint motion to confirm that AccessTN will be excepted from the TennCare consent decrees, including Grier and Rosen. The Rosen decree has been amended and the Grier decision is pending.

Earlier this year, Tennessee applied for a \$1 million seed grant from CMS to start a state-run high-risk pool for uninsurable Tennesseans. In October, we were notified that we have been awarded that grant. CMS has indicated that these funds will not require any changes to planned eligibility or areas of service.

It is expected that AccessTN plan administrators will be announced in January, 2007, with enrollment to begin during early 2007.

CoverTN

The heart of the Cover Tennessee program is CoverTN, an opportunity for working Tennesseans to obtain affordable, portable, basic health coverage. Participation in this plan during the first year will be driven by qualified small employers (25 or fewer full time equivalent employees) and the self-employed. This is an entirely voluntary program.

The Cover Tennessee team continues to spread the word about CoverTN among stakeholders and in communities across the state. Specifically, community meetings have been held in Henry, Stewart, Anderson, Sevier, Hamblen, Cocke and Knox counties and presentations have also been made to 8 area Chambers of Commerce, the Insurors of Tennessee, the Hospital Alliance of Tennessee, the Tennessee Conference on Social Welfare, the Tennessee School Health Association, and the Tennessee Hospital Association.

In September we launched a web-based pre-qualification form so that small businesses could pre-qualify to offer CoverTN and guarantee that they will be among the first to receive enrollment materials from the plan administrators selected in the RFP process. Since then, over 1200 applications for pre-qualification have been received from small businesses interested in the program. Businesses can go to www.CoverTN.gov to pre-qualify.

In October, the Department hired Stephani Ryan to direct CoverTN. Stephani Ryan joins CoverTN from the Department of Commerce and Insurance, where she spent the past 3 ½ years as the Director of Consumer Insurance Services. Prior to joining the State, Stephani worked with employers assisting with the implementation of employee benefit programs.

The Department issued a Request for Proposals for a Plan Administrator on October 6th, and proposals were received by November 27, 2006. The RFP defined premium levels and minimum benefit levels to be included in proposals.

The expected start date for a contract is January, 2007, with enrollment to begin within the first quarter of 2007. According to statute, at least two plans will be selected to offer CoverTN participants a choice in benefit design. Additionally, statute requires that proposers have at least a "B+" or better financial rating.

CoverRx

CoverRx builds upon the successful experience Tennessee has had with pharmacy assistance to disenrollees under the Health Care Safety Net created in 2005. CoverRx will replace the current program, continue to support the Mental Health Safety Net program and provide pharmacy assistance to other Tennesseans with a household income under 250% FPL who are without drug coverage.

Specifically, the program will utilize a mostly generic formulary with select brand name medications. Participants will not be charged a premium but will pay a sliding scale co-payment when they fill a prescription. The program will also have a wrap-around discount for any medications not included in the formulary. Information on this program and the co-payments is included as an attachment.

In October Kendra Gipson was hired to direct CoverRx. Gipson has been in the Department of Finance and Administration's Office of Consulting Services for the past two years working as a Senior Management Consultant. Employed by the State of Tennessee for nine years, Kendra has a wide array of statewide and departmental program and policy experience.

An RFP for Cover Rx was issued August 30, 2006 and a contract was awarded in October, 2006. Current participants of the Mental Health Safety Net will be auto-enrolled beginning in December, 2006 for coverage beginning 1/1/07. Open enrollment and pharmacy assistance will begin in January, 2007.

ProjectDiabetes

The Diabetes and Health Improvement Act of 2006 authorizes the establishment of the Tennessee Center for Diabetes Prevention and Health Improvement. The purpose of the Center is to develop, implement, and promote

a statewide effort to combat the proliferation of Type 2 diabetes. The Center will have a Board of Trustees and is also authorized to establish a not-for-profit organization. The Board has been announced and the first board meeting for the Tennessee Center for Diabetes Prevention and Health Improvement is set for December 7, 2006.

The Center is authorized to administer two grant programs. The first program is to provide grants to high schools to promote the understanding and prevention of diabetes. Two Tennessee high schools, Cookeville High School and Haywood County High School, have been selected to participate in program administered grants from the National Institutes of Health.

The second set of grants will go to providers of services related to the prevention and/or treatment of diabetes. These grants are targeted at evidence-based programs focusing on new or expanded populations and/or innovative approaches to address this disease. Requests for grant proposals are expected to be released in December with grant funds distributed shortly thereafter.

In October, 2006 Governor Bredesen announced GetFitTN, an awareness campaign that will serve as the public face of Project Diabetes. This campaign is focused on communicating the importance of healthy behaviors such as daily physical activity, good nutritional choices, and lifestyle changes in the prevention and/or treatment of overweight/obesity, prediabetes, and diabetes. Former Tennessee Titan Eddie George is volunteering his time to serve as the spokesperson for GetFitTN. More information is available at www.GetFitTN.com.

GetFitTN has been to Johnson City, Knoxville, and Nashville this month to promote awareness through media interviews, public appearances, the MSHA Children's Health Summit, and the Insuror's convention. Mountain State Health Alliance became the first corporate member of TeamTN and Coach Phil Fulmer of UT has also joined TeamTN.

Coordinated School Health

Tennessee's Coordinated School Health program began with 10 pilot sites in 2001 in accordance with the model developed by the Centers for Disease Control. These programs are designed to combat a variety of health-related concerns such as lack of exercise, poor eating habits and physical or mental abuse. Participating school systems engage parents, school personnel and the wider community in creating a culture that emphasizes physical activity and healthy eating habits as well as mental, emotional and social health.

The program's success has led Tennessee to become the first state to mandate and fund a statewide Coordinated School Health program. An evaluation of these pilots in 2005 demonstrated improved nurse to student ratios, accelerated progress in math and language arts achievement, increased class time in physical education, and improved graduation rates.

The Tennessee Department of Education issued a request for grant proposals in mid-August, 2006 and has awarded grants to 19 school districts to expand Coordinated School Health Program. All Tennessee school systems are expected to implement a coordinated school health program by the 2007-08 school year.

Communications and Outreach

In recent weeks staff has launched a web site to provide information on each Cover Tennessee program. This site can be accessed at www.CoverTN.gov. This site includes detailed program information and an extensive FAQ. This resource will evolve as we continue to develop each of the programs. We have also implemented a call center with live operators to answer questions on Cover Tennessee programs at 1-866-COVERTN. The best way

for constituents to stay up-to-date with the most current information available on Cover Tennessee programs is to sign up for email updates at www.CoverTN.gov or at 1-866-COVERTN.

In November, three email updates went out to the Cover Tennessee listserv (attached) announcing the contract award for CoverRx, recent activities in Project Diabetes and Coordinated School Health, and providing detail on the AccessTN program. To date, over 20,000 people have signed up for email updates and/or enrollment information. For the most current and in-depth information, we recommend signing up with an email address so that you can receive electronic updates. Physical addresses will receive enrollment information.

The Cover Tennessee team has been and will continue presenting these programs across the state to get the word out at the grassroots level about solutions for the uninsured. If you have a potential speaking engagement where it would be appropriate to include a presentation on Cover Tennessee programs, please let us know and we will do our best to accommodate you, or at least equip you with the operative information.

Looking forward, our team is developing RFPs for marketing and outreach services to support these important initiatives. In other states, the most successful marketing and outreach initiatives for programs like these has included a marketing/awareness campaign that is integrated with community outreach through schools, providers, churches, and other business and community groups. We are seeking to build on these elements to drive enrollment in these products.

Recent email updates on Cover Tennessee programs and new handouts and materials are attached for your reference.



LAUNCHING EARLY 2007

Creating health insurance options for uninsured Tennesseans.

www.CoverTN.gov or 1-866-COVERTN

Accessible

- State facilitates the market to bring health coverage costs within reach
- Make affordable coverage options available to children, chronically ill and working people

Effective

- Pay for what's most cost effective: preventive care, primary care, generic drugs
- Pay for what works: pay for best practices, disease management

Personal Responsibility

- Everyone should pay something
- Individuals should be responsible for behavior that affects their health

Cover Tennessee includes 5 programs:

☐ Three Insurance Plans

- CoverKids – comprehensive coverage
- AccessTN – comprehensive coverage
- CoverTN – basic health coverage

☐ Pharmacy Assistance for the Uninsured

- CoverRx – affordable medication

☐ Prevention, Healthy Lifestyles, and Personal Responsibility

- ProjectDiabetes
- Coordinated School Health

The cost of health care is outpacing economic growth and causing each of us to reach deeper into our pockets. The result is that the growing number of uninsured in Tennessee has become an issue that can no longer be ignored.

I am proud of our new initiative, Cover Tennessee, precisely because it will bring health insurance within reach for working Tennesseans, uninsured children and uninsurable adults. Cover Tennessee is fundamentally different from the approach we have taken to health insurance in the past.

We don't have it in our power to provide free health insurance to everyone without limits. But we can offer access to health insurance for those who want it. It's a reasonable first step, and I believe we are on the right track.

-- Governor Phil Bredesen

Eligibility	<p>Year 1: Small Business</p> <ul style="list-style-type: none"> Located in Tennessee 25 or fewer full-time equivalent employees; also the self-employed 50% of workforce earning \$41,000 or less Not offered employer-sponsored insurance for 6 months, or if offered, business has not paid 50% or more of employee premiums <p>Once a small business is enrolled, employees are eligible if:</p> <ul style="list-style-type: none"> Tennessee resident (6 mos.) Works at least 20 hrs/week (average) US citizen or qualified legal alien Did not voluntarily stop health insurance in the last six months Commits to pay 1/3 premium Spousal coverage is also available <ul style="list-style-type: none"> ➤ Employer option to contribute 1/3 of spousal premium <p>Year 2: Expands to include</p> <ul style="list-style-type: none"> Individuals at non-participating employers Businesses with 50 or fewer full-time equivalent employees 	<p>At Launch:</p> <ul style="list-style-type: none"> Below 250% FPL US citizen or qualified legal alien Tennessee resident Age 18 and under; pregnant women (maternity only) Not been insured for 3 months (waived for newborns up to 4 months old) Screened first for TennCare eligibility or access to state employee health insurance Buy in for applicants over 250% FPL at full premium cost 	<p>At Launch:</p> <ul style="list-style-type: none"> No income determination, no asset test US citizen Tennessee resident (6 mos.) Age 19 and over Uninsurable by medical or insurance determination Not been insured for 6 months No access to insurance at time of application Exhausted continuation coverage (including COBRA) <p>Special for Disenrollees:</p> <ul style="list-style-type: none"> For a 60 day period, TennCare disenrollees as a result of eligibility reform with HIPAA coverage will not have to go without insurance for six months to qualify 	<p>At Launch:</p> <ul style="list-style-type: none"> Household income below 250% FPL Tennessee resident (6 mos.) US citizen or qualified legal alien Age 19 to 64 Uninsured or without pharmacy coverage
Benefits	<p>Basic health needs, limited benefit plan including most needed services:</p> <ul style="list-style-type: none"> Physician services Hospital services Generic pharmacy coverage Outpatient services Lab services Mental Health services 	<p>Comprehensive coverage modeled on state employee health plan</p>	<p>Comprehensive coverage modeled on state employee health plan</p>	<p>This is not insurance. Includes pharmacy discounts.</p>
Pre-existing Condition Clauses	<p>6 month pre-existing condition exclusion and up to 12 month pre-existing condition waiting period</p>	<p>None</p>	<ul style="list-style-type: none"> 6 month pre-existing condition waiting period No wait for preventative care, pharmacy, or outpatient therapy 	<p>None</p>
Premiums and Pricing	<ul style="list-style-type: none"> Total premiums range from \$103 to \$298 per month Premium shared equally by employer, employee and the state (e.g. individual or business share ranging from \$33 to \$99 per month) Premiums vary by age, weight and tobacco use 	<p>For Participants under 250% FPL:</p> <ul style="list-style-type: none"> No premiums Reduced co-pays <p>For Participants over 250% FPL:</p> <ul style="list-style-type: none"> Full Premiums & co-pays 	<ul style="list-style-type: none"> Total premiums range from \$273 to \$1156 depending on plan chosen. Premiums vary based on age, weight and tobacco use. Premium assistance will be available for low income uninsurable participants 	<ul style="list-style-type: none"> No premiums Co-pays per prescription for covered drugs in the formulary range from \$3 to \$15 depending on income level and the medication prescribed



Affordable, portable, basic health coverage for small business.

www.CoverTN.gov or 1-866-COVERTN

LAUNCHING EARLY 2007

Affordable

- Premiums shared by employer, employee and the state, each paying 1/3
- Individual's share of the premium ranges from about \$30 per month for young, healthy non-tobacco user to about \$99 per month for older, obese, tobacco user

Portable

- The individual owns the policy
- Individual can keep the coverage if they change or lose employment and continue to pay the non-State portion of the premium

Basic health coverage

- \$25 doctor visit co-pay
- \$10 generic prescription co-pay
- \$100 hospital co-pay

A small business qualifies to offer CoverTN to all employees if it:

- Is located in Tennessee
- Has 25 or fewer full time equivalent employees; also includes the self-employed
- Has 50% of the workforce earning \$41,000 or less
- Has not offered employer-sponsored insurance for 6 months, or if offered, the business has not paid 50% or more of employee premiums

An employee qualifies to participate in CoverTN, if the employee:

- Lives in Tennessee
- Works more than 20 hours per week (on average)
- Is a U.S. citizen or qualified legal alien
- In the last six months, did not voluntarily stop any health insurance

CoverTN is practical, down-to-earth health insurance designed to offer affordable, portable coverage to Tennesseans who are living without health insurance today, starting with small business. Small businesses are the backbone of our state's economy, and it's time that we provide them with the same economies of scale enjoyed by large businesses and their employees.

We don't have it in our power to provide free health insurance to everyone without limits. But we can offer access to health insurance for those who want it. It's a reasonable first step, and I believe we are on the right track.

-- Governor Phil Bredesen



About the Benefit Plan

CoverTN creates affordable health insurance by providing coverage for most-needed health services for those without insurance. Insurance companies are in the process of proposing benefit packages based on the premium limits outlined by the state. This means the coverage will be based on available funds and will always be financially stable.

The final details of plan benefits will not be available until insurance companies submit their proposals at the end of the year, but the benefits will include, at a minimum, the following:

- Physician services
- Hospital services
- Generic pharmacy coverage
- Outpatient services
- Mental health services
- Lab services

CoverTN will not have a deductible. CoverTN offers first dollar coverage so that a new plan participant can begin using their benefits as soon as they are enrolled.

The complete parameters that an insurance plan must have to be considered as they compete to get CoverTN are detailed on pages 92 – 94 at <http://www.state.tn.us/finance/rds/ocr/rfp/rfp31730041.pdf>.

CoverTN premiums are shared equally between the employer, the individual and the state

	INDIVIDUAL'S SHARE OF MONTHLY PREMIUM			
	Does Not Use Tobacco		Uses Tobacco	
Age	Normal Weight	Obese	Normal Weight	Obese
<30	\$34.33	\$37.67	\$41.00	\$44.33
30-39	\$42.00	\$46.33	\$48.67	\$53.00
40-49	\$51.67	\$56.67	\$58.33	\$63.33
50-59	\$63.00	\$69.33	\$69.67	\$76.00
60-64	\$72.00	\$79.33	\$78.67	\$86.00
65+	\$84.33	\$92.67	\$91.00	\$99.33

Spouses and children coverage:

- An employee's spouse may enroll for a separate CoverTN policy. The employer does not have to pay for any part of the spouse's premium. The employee must pay whatever portion of the spouse's premium the employer does not cover.
- Dependent children under age 19 should apply for coverage under CoverKids.

Go to www.CoverTN.gov/CoverTN.html today to pre-qualify to offer CoverTN at your business.



Comprehensive health insurance for Tennessee's children.

www.CoverTN.gov or 1-866-COVERTN

LAUNCHING EARLY 2007

Eligibility

- Children 18 and under
- Household income up to 250% of Federal Poverty Level (FPL)
- US Citizen or qualified legal alien
- Tennessee resident
- "Go Bare" (without health coverage): 3 months
 - Waived for newborns up to 4 months of age
- Maternity coverage available for pregnant women who meet other eligibility criteria
- Screened first for TennCare eligibility or access to other state sponsored health insurance

Costs

- For families under 250% FPL, no premiums
- For families over 250% FPL, coverage available at full premium
- Co-pays vary according to income

CoverKids Income Guide

Persons in Household	FPL to 150% FPL	151% FPL to 250% FPL
1	\$ 9,800 - \$14,699	\$14,700 - \$24,500
2	\$13,200 - \$19,799	\$19,800 - \$33,000
3	\$16,600 - \$24,899	\$24,900 - \$41,500
4	\$20,000 - \$29,999	\$30,000 - \$50,000
5	\$23,400 - \$35,099	\$35,100 - \$58,500
6	\$26,800 - \$40,199	\$40,200 - \$67,000
7	\$30,200 - \$45,299	\$45,300 - \$75,500
8	\$33,600 - \$50,399	\$50,400 - \$84,000

Benefits

- Comprehensive health coverage
- Benefits modeled on state employee health plan
- Emphasis on wellness and prevention

I want Tennessee to lead the nation in our commitment to covering children. We have the opportunity to accomplish that goal if we act decisively. Let's make it as easy for children to get health insurance as it is to check out a library book.

-- Governor Phil Bredesen



Benefit Plan Proposed to CMS October 26, 2007

BENEFIT	FAMILY INCOME AT OR BELOW 150% FPL	FAMILY INCOME BETWEEN 151-250% FPL
Annual Deductible	None	None
Preexisting Condition Requirement	None	None
Physician Office Visit	\$5 co-pay Medical Care Coordinator or specialist	\$15 co-pay Medical Care Coordinator; \$20 co-pay specialist
Hospital Care (the hospital co-pay is waived if readmitted within 48 hours of the initial visit for the same episode of an illness or injury)	\$5 per admission	\$100 per admission
Prescription Drug Coinsurance/Co-pay	\$5 generic, preferred brand or non-preferred brand	\$5 generic; \$20 preferred brand; \$40 non-preferred brand
Routine Health Assessment and Immunizations – Child	No co-pays for services rendered under American Academy of Pediatrics guidelines	No co-pays for services rendered under American Academy of Pediatrics guidelines
Emergency Room	\$5 co-pay per use in case of an emergency (waived if admitted); \$10 co-pay per use for non-emergency	\$50 co-pay per use (waived if admitted)
Chiropractic Care	\$5 co-pay; Maintenance visits not covered when no additional progress is apparent or expected to occur	\$15 co-pay; Maintenance visits not covered when no additional progress is apparent or expected to occur
Ambulance Service – Air & Ground	No co-pay 100% of reasonable charges when deemed medically necessary by claims administrator	No co-pay 100% of reasonable charges when deemed medically necessary by claims administrator
Lab and X-ray	No co-pay 100% benefit	No co-pay 100% benefit
Physical, Speech & Occupational Therapy	\$5 co-pay per visit; Limited to 52 visits per year per condition	\$15 co-pay per visit; Limited to 52 visits per year per condition
Family Planning Services	\$5 co-pay Medical Care Coordinator, \$5 Specialist	\$15 co-pay Medical Care Coordinator, \$20 Specialist
Durable Medical Equipment	100% benefit	100% benefit
Maternity Care:		
Physician Care	\$5 co-pay OB/GYN or Medical Care Coordinator, first visit only	\$15 co-pay Medical Care Coordinator, first visit only
Hospital Care	\$5 hospital admission	\$100 co-pay per admission
Midwives (provided in a licensed Healthcare facility)	100% benefit	100% benefit
Specialist	\$5 co-pay	\$20 co-pay
Mental Health Inpatient (preauthorization required)	\$5 co-pay per admission; Limited to 30 days per year	\$100 co-pay per admission; Limited to 30 days per year
Substance Abuse Inpatient (preauthorization required)	\$5 co-pay per admission; Limited to two 5-day detox stays per lifetime; plus one 28-day lifetime stay	\$100 co-pay per admission; Limited to two 5-day detox stays per lifetime; plus one 28-day lifetime stay
Mental Health/Substance Abuse Outpatient (preauthorization required)	\$5 co-pay per session; Limited to 52 sessions mental health and substance abuse combined	\$20 co-pay per session; Limited to 52 sessions mental health and substance abuse combined
Annual Out-of-Pocket Maximums (medical and pharmacy)	5% of family income	5% of family income
Expenses determined not to be medically and/or clinically necessary by the utilization review organization	\$0	\$0



Comprehensive health insurance for uninsurable Tennesseans.

www.CoverTN.gov or 1-866-COVERTN

LAUNCHING EARLY 2007

Eligibility

- No income determination, no asset test
- US citizen
- Tennessee resident (6 months)
- Age 19 and over
- Uninsurable by medical or insurance determination
 - A doctor's statement that applicant has one of 54 medical conditions pre-approved for presumptive eligibility
 - Denial by two unaffiliated insurance carriers for individual coverage due to a health-related condition
 - Qualification through an AccessTN contracted underwriting process
- "Go Bare" (without health coverage): 6 months
- No access to insurance at time of application
- Exhausted continuation coverage (including COBRA)

Benefits

- Comprehensive health coverage
- Benefits modeled on state employee health plan
- Guaranteed issue; No one will be denied coverage because they have a pre-existing medical condition
- Maternity coverage available with separate rider

Special for TennCare Disenrollees

- Of the estimated 6,000 positions available in AccessTN, 75% will be reserved for those disenrolled from TennCare due to reform.
- These "reserved positions" will only be available for up to 60 days after AccessTN opens, or when all positions have been filled.
- For a 60 day period, individuals disenrolled from TennCare as part of reform with a HIPAA policy will NOT have to meet the requirement that they go six months without health insurance before being eligible for AccessTN coverage. Rates for these plans will be slightly higher.

Premium Assistance

- Will be available for applicants up to 250% of federal poverty level, up to an annual household income of \$60,000
- Is limited to available funding; not all of those meeting eligibility criteria will necessarily qualify
- Will range from 30% of premium to 75% of premium based on household income
- Will only be available for Plan 1000, which has the lowest deductible and highest premiums.

It is time we re-implement and modernize the high-risk pool we once had in Tennessee. AccessTN will enable Tennesseans to purchase coverage who have sufficient income but can't buy insurance because of their pre-existing health conditions.

-- Governor Phil Bredesen



Premiums

ACCESSTN: Defining Target Weight at BMI of less than 30			
Height			Target Weight
4	feet	10 inches	142
4	feet	11 inches	147
5	feet	even	152
5	feet	1 inches	157
5	feet	2 inches	163
5	feet	3 inches	168
5	feet	4 inches	173
5	feet	5 inches	179
5	feet	6 inches	185
5	feet	7 inches	190
5	feet	8 inches	196
5	feet	9 inches	202
5	feet	10 inches	208
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6	feet	even	220
6	feet	1 inches	226
6	feet	2 inches	232
6	feet	3 inches	239
6	feet	4 inches	245
6	feet	5 inches	252

Plan 1000*: \$1000 deductible				
	Target Weight & Below		Above Target Weight	
	Non Tobacco User	Tobacco User	Non-Tobacco User	Tobacco User
>30	\$387	\$445	\$430	\$494
30-39	\$450	\$517	\$500	\$574
40-49	\$546	\$628	\$ 607	\$698
50-59	\$649	\$747	\$722	\$830
60-64	\$766	\$881	\$851	\$979
65+	\$904	\$1,040	\$1,005	\$1,156

Plan 2500*: \$2500 deductible (HSA Eligible)				
	Target Weight & Below		Above Target Weight	
	Non Tobacco User	Tobacco User	Non-Tobacco User	Tobacco User
>30	\$318	\$366	\$353	\$406
30-39	\$369	\$425	\$410	\$472
40-49	\$449	\$516	\$498	\$573
50-59	\$534	\$614	\$593	\$682
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60-64	\$539	\$620	\$599	\$689
65+	\$637	\$732	\$708	\$814

* Rates will be slightly higher for TennCare disenrollees applying to transfer into AccessTN from a HIPAA plan.

AccessTN Income Guidelines for Premium Assistance				
Persons in Household	Federal Poverty Level (FPL)	150% FPL	200% FPL	250% FPL
1	\$9,800	\$14,700	\$19,600	\$24,500
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3	\$16,600	\$24,900	\$33,200	\$41,500
4	\$20,000	\$30,000	\$40,000	\$50,000
5	\$23,400	\$35,100	\$46,800	\$58,500
6	\$26,800	\$40,200	\$53,600	Up to \$60,000
7	\$30,200	\$45,300	Up to \$60,000	Unavailable
8	\$33,600	\$50,400	Unavailable	Unavailable
Premium Assistance	75% Non-Tobacco, at Target Weight or Below	70% Non-Tobacco, at Target Weight or Below	50% Non-Tobacco, at Target Weight or Below	30% Non-Tobacco, at Target Weight or Below
Applicant would pay	25% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution	30% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution	50% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution	70% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution



**Affordable medications for Tennesseans
without pharmaceutical coverage.**

www.CoverTN.gov or 1-866-COVERTN

LAUNCHING JANUARY 2007

☐ Features

- More than 200 generic drugs, plus insulin and diabetic supplies
- Includes mental health drugs
- Discount for additional drugs not included in base formulary
- No premium payment
- Sliding scale co-payments based on income
- This is not insurance

☐ Eligibility:

- Tennessee resident (6 months)
- US citizen or qualified legal alien
- Age 19 to 64
- Household income below 250% FPL
- Cannot have access to pharmacy coverage

CoverRx Co-Pay Structure			
Persons in Household	Below FPL	FPL to 149% FPL	150% FPL to 250% FPL
1	\$0 - \$9,799	\$ 9,800 - \$14,699	\$14,700 - \$24,500
2	\$0 - \$13,199	\$13,200 - \$19,799	\$19,800 - \$33,000
3	\$0 - \$16,599	\$16,600 - \$24,899	\$24,900 - \$41,500
4	\$0 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$50,000
5	\$0 - \$23,399	\$23,400 - \$35,099	\$35,100 - \$58,500
6	\$0 - \$26,799	\$26,800 - \$40,199	\$40,200 - \$67,000
7	\$0 - \$30,199	\$30,200 - \$45,299	\$45,300 - \$75,500
8	\$0 - \$33,599	\$33,600 - \$50,399	\$50,400 - \$84,000
Co-Pay Structure	Generics: \$3 Brands: \$5 All Others: Lesser of Discount, MAC or U&C	Generics: \$6 Brands: \$10 All Others: Lesser of Discount, MAC or U&C	Generics: Lesser of \$10 or U&C Brands: \$15 All Others: Lesser of Discount, MAC or U&C

"CoverRx is a modern, fiscally responsible approach to provide basic prescription drug coverage to Tennesseans without drug coverage or who don't have any insurance at all. This is a practical, down-to-earth effort to help Tennesseans who are today outside the health care window looking in.

-- Governor Phil Bredesen



FORMULARY

www.CoverTN.gov or 1-866-COVERTN

LAUNCHING JANUARY 2007

- **Anti-infectives**
 - Antituberculosis Drugs
 - Antivirals
 - Cephalosporins
 - Macrolides
 - Oral Antifungals
 - Penicillins
 - Tetracyclines
 - Topical Antifungals
 - Topical Antifungal – Corticosteroids
 - Urinary Anti-infectives
 - Other Anti-infectives
 - Antineoplastics
 - Quinolones
 - Sulfonamides
- **Blood modifiers**
 - Antiplatelet Drugs
 - Blood Detoxicants
 - Potassium Supplements
 - Therapeutic Vitamins and Minerals
- **Cardiovascular medications**
 - ACE Inhibitors
 - Combination Products
 - Antiarrhythmics
 - Beta-Adrenergic Antagonist
 - Calcium Antagonist
 - Cardiac Glycoside
 - Centrally Acting Antihypertensive
 - Diuretics
 - HMG CoA Reductase Inhibitors
 - Hypolipoproteinemics
 - Nitrates
 - Alphantagonist
- **Asthma/COPD drugs**
 - Methyl Xanthines
- **Urological medications**
 - Anticholinergic/Antispasmodics
 - Other Genitourinary Products
- **Obstetrical/gynecological medications**
 - Contraceptives
 - Estrogen Drugs
 - Prenatal Vitamins
 - Progestin Drugs
- **Ophthalmic medications**
 - Antibacterial Drugs
 - Antiglaucoma Drugs
 - Corticosteroid Drugs
- **Endocrine medications**
 - Insulins
 - Oral Hypoglycemics
 - Diabetic Supplies
 - Thyroid Supplements
- **Non-steroidal anti-inflammatory drugs**
- **Rheumatoid Arthritis**
- **Autonomic and CNS medications**
 - Selective Serotonin Reuptake Inhibitors
 - Other Antidepressants
 - Tricyclic Antidepressants
 - Anticonvulsants/Mood Stabilizers
 - Antipsychotic medications
 - Anxiolytic
- **Gastrointestinal medications**
 - Antispasmodics
 - Proton Pump Inhibitors
- **Additional atypical and anti-convulsant/ mood stabilizer medications available on restricted formulary for SPMI participants**



STATE AWARDS CONTRACT FOR COVERRX

A contract has been awarded to a pharmacy benefit manager to provide affordable prescription drugs to qualified low-income adults who do not have access to pharmacy benefits.

CoverRx is part of Governor Bredesen's Cover Tennessee initiative to create health insurance options for the uninsured. The CoverRx contract was awarded to Express Scripts, one of America's largest pharmacy benefit managers.

"CoverRx is a modern, fiscally responsible approach to provide basic prescription drug coverage to Tennesseans without drug coverage or who don't have any insurance at all," Bredesen said. "This is a practical, down-to-earth effort to help Tennesseans who are today outside the health care window looking in."

CoverRx will replace the pharmacy assistance program developed under the Health Care Safety Net created in 2005. CoverRx will provide access to an expanded drug list, continue providing mental health drugs and expand pharmacy assistance to other low-income adults ages 19 to 64.

CoverRx has a mainly generic formulary of over 200 drugs, insulin and diabetic supplies, plus atypical antipsychotics and mood stabilizers for authorized

Eligibility for CoverRx includes:

- Tennessee resident (6 months)
- U.S. citizen or qualified alien
- Age 19 - 64
- Uninsured or no access to pharmacy benefits
- Household income of 250% FPL or less (\$50,000 per year for a family of four)

participants. There will be a five- prescription limit (excluding insulin and diabetic supplies), along with a sliding scale for co- payments ranging from \$3 to \$15 based on income and the prescribed medication (brand or generic).

Mental Health Safety Net participants will be auto-enrolled in the program. Community Mental Health Agencies may authorize access to the the CoverRx restricted formulary for other CoverRx applicants and participants.

In October, Kendra Gipson was formally hired to direct CoverRx. Gipson has been with the state for nine years working most recently as a Senior Management Consultant in the Department of Finance & Administration's Office of Consulting Services.

Persons in Household	Below FPL	FPL to 149% FPL	150% FPL to 250% FPL
1	\$0 - \$9,799	\$ 9,800 - \$14,699	\$14,700 - \$24,500
2	\$0 - \$13,199	\$13,200 - \$19,799	\$19,800 - \$33,000
3	\$0 - \$16,599	\$16,600 - \$24,899	\$24,900 - \$41,500
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6	\$0 - \$26,799	\$26,800 - \$40,199	\$40,200 - \$67,000
7	\$0 - \$30,199	\$30,200 - \$45,299	\$45,300 - \$75,500
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Co-Pay Structure	Generics: \$3 Brands: \$5 All Others: Lesser of Discount, MAC or U&C	Generics: \$6 Brands: \$10 All Others: Lesser of Discount, MAC or U&C	Generics: Lesser of \$10 or U&C Brands: \$15 All Others: Lesser of Discount, MAC or U&C



BREDESEN NAMES APPOINTMENTS TO DIABETES PREVENTION BOARD

Governor Phil Bredesen has announced five appointments to the Tennessee Center for Diabetes Prevention and Health Improvement Board of Trustees.

The Center for Diabetes Prevention and Health Improvement, part of the Cover Tennessee initiative, is focused on addressing the growing problem of Type 2 diabetes and improving the overall health of Tennesseans.

Tennessee Center for Diabetes Prevention and Health Improvement Board of Trustees

Kenya N. Bradshaw, Memphis
Organizer, Stand for Children
Term expires: September 30, 2007

Ann T. Chaffin, Pulaski
School Nutrition Supervisor, Giles County
Board of Education
Term expires: September 30, 2009

Timothy K. Peters, Kingsport
Director of Health and Wellness Programs,
Health Fitness Corporation
Term expires: September 30, 2008

Dexter W. Shurney, M.D., Brentwood
Senior Vice President and Chief Medical
Officer, Healthways, Inc.
Term expires: September 30, 2009

Cathy R. Taylor, Dr.P.H., Nashville
Assistant Professor of Nursing, Vanderbilt
University School of Nursing
Term expires: September 30, 2008

"Tennessee children are very much at risk for developing Type 2 diabetes, and it's not confined to an urban, rural or suburban area - it's across the board," Bredesen said. "The ever-increasing prevalence of fast food combined with TV and video games, as well as diminishing attention to physical activity in our schools, have given us the perfect storm. It's

going to take some intense work with communities, schools and parents to develop meaningful long-term solutions to this problem."

The Tennessee Center for Diabetes Prevention and Health Improvement Board of Trustees consists of seven members, five of whom are appointed by the Governor. By statute, gubernatorial appointments shall include a physician licensed in Tennessee, a registered nurse licensed in Tennessee, a dietitian licensed in Tennessee, and someone with a human resources management or business perspective.

Coordinated School Health (CSH) Announces Grants to 19 School Districts

Governor Bredesen and the Department of Education have designated more than \$15 million in grants to be invested each year to establish Coordinated School Health programs in school districts across Tennessee.

The first set of these grants have been awarded to 19 school districts to fund programs that teach

School District	Grant Amount
Campbell County	\$75,000
Carter County	\$85,000
Cheatham County	\$54,856
Giles County	\$67,000
Greene County	\$95,000
Humboldt County	\$60,000
Humphreys County	\$59,000
Johnson City Schools	\$82,000
Johnson County	\$69,000
Lauderdale County	\$82,000
Memphis City Schools	\$179,427
Murfreesboro City Schools	\$75,000
Obion County	\$64,000
Overton County	\$60,000
Rogersville City Schools	\$64,000
Sumner County	\$95,000
Unicoi County	\$65,000
Van Buren County	\$45,000
White County	\$60,000
TOTAL AWARDS	\$1,436,283

CSH grants, cont.

Tennessee's children about nutrition and physical activity and the value of a healthy lifestyle. Tennessee is the first state to fully fund a CSH program for every school district.

Districts submitted plans to establish community partnerships to educate students about healthy living and increase students' capacity to learn. Tennessee's CSH program began in 2001 in 10 school districts using a model developed by the Centers for Disease Control to engage students, parents, school personnel and the community in creating a culture that emphasizes physical activity and healthy eating habits.

Programs are ongoing in Henry, Loudon, Macon, Monroe, Putnam, Stewart, Tipton, Warren, and Washington counties as well as Trenton Special School District in Gibson County.

Type 2 diabetes may be prevented and/or the onset delayed through modest changes in lifestyle that include increased physical activity and maintaining a healthy weight.

- Of children born in 2000, one in three are predicted to develop diabetes. The odds increase to one in two for African-Americans and Hispanics.
- The average child gets less than 15 minutes of vigorous activity a day.
- Overweight children have a 70% chance of becoming overweight adults.
- Americans spend billions each year purchasing diet books and products in an effort to be healthier.

For more information visit www.GetFitTN.com

***In related news:* TDOT Announces Safe Routes to School Grant Program**

More than \$10 million available for projects promoting walking and biking to school

The Tennessee Department of Transportation has announced a new statewide grant program focused on creating more opportunities for children to walk and bike safely to school. The Safe Routes to School (SRTS) program will provide grants to state, local and regional agencies for projects designed to encourage walking and biking among elementary and middle school children.

"The Safe Routes to School program is an opportunity for our schools, communities, and local and state leaders to work together to promote a healthier lifestyle for our children and create a safer, cleaner environment for everyone," said Governor Bredesen. "The start of this new program comes at a good time. With the recent launch of our GetFitTN initiative, we're taking a good look at how we can promote healthier, more active living in Tennessee. Picking a safe route to walk or bike to school is the

perfect opportunity for families to begin a new fitness routine together."

The SRTS program is funded by \$10.7 million through 2009 with federal funds provided specifically for this purpose through the federal surface transportation program. Grants will be for 100% federal funds and will not require a local match.

SRTS funds will be available for two different types of projects, infrastructure and non-infrastructure, that directly support increased safety and conveniences for primary and middle school children to walk and bike to school. Eligible infrastructure projects include the addition of or improvements to existing sidewalks, bikeways, trails and crosswalks, and for speed reduction techniques around school zones. Non-infrastructure projects include training for crossing guards, safety education, such as student sessions on bicycle and pedestrian safety, events and activities to encourage walking and biking to school, and law enforcement in school zones.

Later this month, TDOT will announce SRTS training sessions in Knoxville, Chattanooga, Nashville, Memphis and Jackson for those interested in planning SRTS projects and activities and applying for a grant. The training sessions will be free and open to the public.

For more information on SRTS, go to <http://www.tdot.state.tn.us/bikeped/saferoutes.htm>.

**For more information on all
Cover Tennessee programs go to
www.CoverTN.gov or call
1-866-COVERTN**



ACCESSTN BENEFITS, PRICING, PREMIUM ASSISTANCE DETAILS DETERMINED Board of Directors Overseeing New High-Risk Pool Make Key Program Decisions

AccessTN, the high-risk pool created under Governor Phil Bredesen's Cover Tennessee initiative, is taking shape under the direction of the board of directors that oversees the program.

The legislatively-defined board, comprised of representatives of key stakeholder groups, has determined several key components of program design, including benefits, premiums and the basic design of the premium assistance program.

There will be three ways to demonstrate medical eligibility.

- A doctor's statement that applicant has one of 54 medical conditions pre-approved for presumptive eligibility
- Denial by two unaffiliated insurance carriers for individual coverage due to a health-related condition
- Qualification through an AccessTN contracted underwriting process

Uninsurables age 19 and under should apply for coverage under CoverKids. Those age 65 and older will only be able to apply for AccessTN if they do not qualify for Medicare.

Three health plan options will be offered to help accommodate varying incomes of participants. The benefits under each plan vary slightly, as do deductible and premium amounts.

Deductibles range from \$1,000 for Plan 1000 to \$5,000 for Plan 5000. Plan 2500, with a \$2500 deductible, includes an option to couple the plan with a health savings account. Premiums vary between plans.

A detailed chart of covered services is available on the Cover Tennessee web site at this link:
http://www.covertn.gov/accesstn_benefitgrid.pdf

Because AccessTN is for chronically ill adults, whose medical costs are higher, the premiums for AccessTN will range between 1.5 and two times the standard market rates. As a result, premiums for AccessTN will be higher than standard market

ELIGIBILITY

- No income limit, no asset test
- US citizen
- Tennessee resident (6 months)
- Age 19 and over
- Uninsurable by medical condition or insurance determination
- Without health coverage for 6 months
- No access to insurance at time of application
- Exhausted continuation coverage (including COBRA)

SPECIAL FOR TENNCARE DISENROLLEES

- Of the estimated 6,000 positions available in AccessTN, 75% will be reserved for those disenrolled from TennCare as a result of reform.
- These "reserved positions" will only be available for up to 60 days after the AccessTN program opens, or when all the positions have been filled, whichever comes first.
- For a 60 day period, individuals disenrolled from TennCare as part of the 2005 eligibility reforms with a HIPAA policy will NOT have to meet the requirement that they go six months without health insurance before being eligible for AccessTN coverage. Rates for these plans will be slightly higher.

BENEFITS

- Comprehensive health coverage
- Benefits modeled on state employee health plan
- Guaranteed issue; No one will be denied coverage because they have a pre-existing medical condition

rates, but lower than HIPAA insurance.

Premiums will vary depending on the plan selected and the age, tobacco use and weight status of a participant.

The General Assembly has appropriated \$13 million in funds for premium assistance to make monthly premiums more affordable for low income participants. Preliminarily, the board has made some determinations about how the premium assistance program will be structured with more deliberation to follow.

Among these early decisions, the Board has determined that premium assistance:

- Will be available for applicants up to 250% of federal poverty level, up to an annual household income of \$60,000.
- Is limited to available funding; not all of those meeting eligibility criteria will necessarily qualify.
- Will range from 30% of premium to 75% of premium based on household income
- Will only be available for Plan 1000, which has the lowest deductible and highest premiums.

To create incentives toward healthier behavior and to maximize funds available to help lower-income participants, the Board has decided that premium assistance funds will be allocated based on the amount of a non-smoking, participant at target weight or below.

For purposes of defining target weight, AccessTN has set a threshold of Body Mass Index of 30. Plan participants who change weight or tobacco status during plan participation will have an opportunity to reduce their monthly premium rate accordingly.

Plan 1000*: \$1000 deductible				
	Target Weight & Below		Above Target Weight	
	Non Tobacco User	Tobacco User	Non-Tobacco User	Tobacco User
>30	\$387	\$445	\$430	\$494
30-39	\$450	\$517	\$500	\$574
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** Rates will be slightly higher for TennCare disenrollees applying to transfer into AccessTN from a HIPAA plan.*

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Height				Target Weight		Height				Target Weight
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5	feet	2	inches	163		6	feet	even	inches	220
5	feet	3	inches	168		6	feet	1	inches	226
5	feet	4	inches	173		6	feet	2	inches	232
5	feet	5	inches	179		6	feet	3	inches	239
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7	\$30,200	\$45,300	Up to \$60,000	Unavailable
8	\$33,600	\$50,400	Unavailable	Unavailable
Premium Assistance	75% Non-Tobacco, at Target Weight or Below	70% Non-Tobacco, at Target Weight or Below	50% Non-Tobacco, at Target Weight or Below	30% Non-Tobacco, at Target Weight or Below
Applicant would pay	25% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution	30% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution	50% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution	70% Non-Tobacco, at Target Weight or Below + variation based on weight and tobacco status; subject to maximum contribution

Presumptive Medical Conditions to establish Medical Eligibility					
Doctor's statement and diagnosis required [Subject to change by AccessTN Board]					
	Body System	Medical Condition w/in 3 yrs. except as specified		Body System	Medical Condition w/in 3 yrs. except as specified
1	Major	AIDS / HIV+	26	Nervous System	Alzheimer's
2	Major	Transplants, completed or recommended, excluding kidney donor or cornea transplant	27	Nervous System	Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease)
			28	Nervous System	Brain injury, traumatic
3	Cancers	Cancers, excluding Skin Cancers except melanoma	29	Nervous System	Cerebral Palsy, Moderate to Severe
4	Cancers	Hodgkin's Disease	30	Nervous System	Friedrich's Ataxia
5	Cancers	Leukemia	31	Nervous System	Guillain-Barre Syndrome, Presenting
6	Circulatory	Aplastic Anemia, chronic	32	Nervous System	Huntington's Chorea
7	Circulatory	Cerebral Embolism, Pulmonary Embolism	33	Nervous System	Myasthenia Gravis
8	Circulatory	Cerebral Vascular Accident (CVA) [Stroke] other than Transient Ischemic Attack	34	Nervous System	Sturge-Weber syndrome
			35	Nervous System	Tabes Dorsalis (Locomotor Ataxia)
9	Circulatory	Congestive Heart Failure, including Cardiomyopathy	36	Nervous System	Hydrocephalus
10	Circulatory	Heart Attack within 5 yrs.	37	Nervous System	Lead Poisoning (Cerebral)
11	Circulatory	Heart Bypass Surgery within 5 years	38	Nervous System	Multiple Sclerosis, Post-lateral Sclerosis
12	Circulatory	Hepatitis B, C D, or G acute or chronic moderate or severe w/ Rx	39	Nervous System	Muscular Dystrophy
			40	Nervous System	Parkinson's Disease
13	Circulatory	Sickle Cell Anemia	41	Nervous System	Syringomyelia
14	Circulatory	Thalassemia, with present symptoms	42	Nervous System	Topectomy & Lobotomy
15	Circulatory	Arteritis, necrotizing	43	Nervous System	Tumors, Brain or Pituitary
16	Circulatory	Hemophilia	44	Other	Autistic Disorders
17	Digestive	Crohn's Disease- surgery required or current symptoms	45	Other	Cystic Fibrosis
18	Digestive	Ulcerative Colitis, present	46	Other	Systemic Lupus Erythematosus (Lupus Erythematosus)
19	Digestive	Cirrhosis of the Liver	47	Other	Wilson's Disease
20	Digestive	Pancreatis, Chronic	48	Psychiatric	Psychotic Disorders, including Schizophrenia & Delusional Disorders
21	Endocrine	Diabetes- Type I uncontrolled, or Type II uncontrolled, or with complications (eyes, kidneys, feet, etc.)	49	Respiratory	Pulmonary Emphysema, moderate to severe
22	Musculo Skeletal	Arthritis, Rheumatoid	50	Respiratory	Pulmonary Fibrosis
23	Musculo Skeletal	Cleft Palate, requiring surgery, excluding microform cleft	51	Respiratory	Silicosis (Black Lung)
			52	Urinary	Kidney, Polycystic
24	Musculo Skeletal	Still's Disease	53	Urinary	Kidney, Chronic Renal Failure, including Kidney Dialysis
25	Musculo Skeletal	Legge-Perthes Disease	54	Urinary	Hypertensive Renal Disease